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## **An ROI Calculator for Smoking Cessation Benefits and Programs**

Businesses use ROI analysis to allocate resources by comparing the implementation costs and future revenues (or savings) of alternative investments. To make the business case for smoking cessation, interventions must demonstrate a positive ROI in 3-5 years compared to existing practice.

A study of health plan and employer smoking cessation efforts conducted by American Health Insurance Plans (AHIP) and the Kaiser Permanente Center for Health Research found that health plans investing \$35-\$410 per participant in a one-year program generated *a positive ROI within 3 years*.

For the test health plan population, the ROI per cessation service recipient for the plan was \$750-\$1,120 after 5 years. For employers, the ROI was positive in all years, and totaled \$100-\$200 after 5 years. The results indicate investments of \$.18-\$.79 PMPM generate positive net ROI of over \$1.70-\$2.20 after five years.

### **The ROI Calculator**

Based on the research, AHIP created an ROI Calculator to help employers and plans quickly assess the potential benefits of common smoking cessation interventions. The tool has preloaded data that can be easily modified to reflect the key smoking and environmental factors of an employer's or health plan's current population. You can also vary key inputs.

The results of your ROI analyses should help your organization evaluate the cost-effectiveness of various tobacco cessation interventions.

The tool is available at no cost at this site: [ROI Calculator on Smoking Programs](#). For more information on making the business case for smoking cessation programs go to [Making the Business Case \(AHIP\)](#)